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Cites Pitfalls in Domestic Security

FBI Chief Puts Stress on Catching Foreign Spies

By MICHAEL WINES and RONALD J. OSTROW, *Times Staff Writers*

WASHINGTON—FBI Director William H. Webster, whose agency this month arrested three employees of U.S. intelligence offices on spying charges, says the United States lacks the money and authoritarian bent to dramatically tighten security over the millions of Americans with access to secret documents and should concentrate instead on catching foreign spies.

In an interview with The Times, Webster said he disagrees with suggestions that intelligence officers should be treated as "a suspect class," and said such a policy would pose fairness problems and "lead to a breakdown in morale."

Instead, Webster said, counterintelligence efforts would reap the greatest results "by focusing on the enemy—hostile intelligence officers," including many of the 4,000 communist-bloc officials in the United States.

Some 2,500 of those officials are from Soviet bloc nations, and an estimated 30% to 40% are known or suspected intelligence officers with intelligence tasks, Webster said in the Thursday interview.

Webster's remarks came as Administration officials and counterintelligence experts began questioning the success of existing security and counterintelligence programs in the wake of a six-

month string of spying arrests, largely involving American security employees.

The case of accused Russian spy Ronald W. Pelton demonstrates both the failings and the pitfalls of counterintelligence. In 1980, he made his first trip to the Soviet ambassador's apartment in Vienna, where he is believed to have disclosed a multibillion-dollar electronic snooping project by the National Security Agency. Pelton made at least two more trips to the Austrian capital before the FBI arrested him last Monday.

Besides the travel, he filed public bankruptcy papers before quitting a top-secret job at the NSA in 1979, and the FBI says he began spying by strolling undetected into the Soviet embassy three blocks from the White House.

Yet Pelton was not arrested until this month. Intelligence sources said this week that in the year after his spying began, Administration officials proposed to boost U.S. counterintelligence efforts abroad—Austria was one of the countries—in an attempt to constrict the flow of American secrets to Soviet agents abroad, intelligence sources said this week.

Rejected as Too Costly

But the proposal was abandoned as too costly.

And similar lapses are common to the cases of three other Americans arrested this month for espionage and related charges—Larry Wu-tai Chin, accused of spying for the Chinese for 33 years; and Jonathan J. Pollard and his wife, Anne Henderson-Pollard, implicated in espionage for the Israelis.

Webster can understand why people spy. "A kind of numbness about classified matters" has made it increasingly easy for some Americans to give away secrets to foreign enemies and allies alike, he said.

But his solution is not to crack down on the vast population of potential U.S. spies. "Better to reduce your people with access to classified material, reduce the numbers of classified documents and make those with access very sensitive," he said. And better to devote FBI agents to watching communist-bloc officials, who Webster believes pose a far greater security threat than do U.S. workers.

Reagan Address Expected

Robert Crowley, who retired in 1980 as assistant deputy director of CIA operations, agrees. "It's the high frictional loss of running a democracy," he said. "The ACLU (American Civil Liberties Union) would have to go to the Bahamas for a month if we used those techniques."

President Reagan, who so far has been silent on the spy cases, is expected to use his weekly radio address today to put a good face on the incidents. White House spokesman Larry Speakes offered a preview on Monday, saying that the Administration "from the outset has set priority on rooting out cases of espionage" and that November's arrests means "you're seeing it pay off now."

But some intelligence officials differ. They note that this year's string of spying arrests—including not only November's cases but also the apprehension of convicted Soviet spy John A. Walker Jr. and two family members and a friend—stemmed not so much from counterintelligence work but from chance tips.

Tip From Yurchenko

Some information came from Soviet KGB officer Vitaly Yurchenko, a "walk-in" who tipped off U.S. officials to Pelton before returning to the Soviet Union. The Walker case was broken by a warning from his former wife.

Only last weekend's arrest of Chin on charges of spying for the Chinese appears to be credited directly to counterspy investigations.

"It's not so much the money," said one intelligence official who asked not to be named. "Nobody is saying Congress isn't giving enough money. It's because of the lack of a policy, a coherent approach."

The Republican and Democratic leaders of the Senate Intelligence Committee agree. In Senate testimony last month, they called for a "strategic framework" for counterintelligence, combining better domestic security—stopping new spies—with counterspy measures to ferret out existing ones.

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"The basic question," Sens. Dave Durenberger (R-Minn.) and Patrick J. Leahy (D-Vt.) said, "is whether the executive branch will implement these measures in the face of opposition from elements that have a vested interest in leaving things the way they are."

Better Coordination

Most experts believe that the quality of U.S. counterintelligence has improved recently, largely because of better coordination between the FBI and its younger rival, the CIA. No longer, for example, may the CIA legally withhold evidence of domestic wrongdoing by its employees from FBI investigators.

Moreover, two laws—the 1978 Foreign Intelligence Surveillance Act and the 1980 Classified Information Procedures Act—have given counterspy officials new rein to institute wiretaps on suspected foreign agents and to prosecute cases without the fear of disclosing secrets.

But the remaining gaps in American counterintelligence and security abilities are yawning ones, intelligence officials concede.

Few Controls on Foreigners

Although some communist-bloc officials are closely watched and their activities restricted, there are few controls on the activities of non-diplomatic foreigners in the United States, such as the employees of the 67 Soviet companies with American offices. Nor is there parity between the number of American diplomats in communist countries and the much larger number of communist officials living here.

On the domestic front, the government still does not conduct counterintelligence polygraph tests on some Americans with access to the most sensitive kinds of top-secret data. It does not require financial reports to detect pressing money problems among sensitive workers. And it exercises virtually no controls over retired or resigned employees such as Pelton, Chin and Walker.

New counterintelligence measures against foreign subversives seem likely to be passed by this session of Congress.

Placing new restrictions on American workers is likely to be much more difficult and questionable, Webster said.

For ex-employees, Webster said, the government could make retirement conditioned on submitting to periodic lie-detector or background checks. But "with that additional responsibility goes additional intrusion," he noted.

Regular polygraph tests of former employees has not been formally proposed, and Webster believes it would be unpopular. Nor is it likely that such requirements could be imposed retroactively, he said.